



OFFICE OF THE  
ARIZONA STATE TREASURER

HON. DEAN MARTIN  
TREASURER



January 4, 2010

The Honorable Janet Napolitano  
Secretary of Homeland Security  
U.S. Department of Homeland Security  
Washington, D.C. 20528

Dear Secretary Napolitano:

As you are aware, the State of Arizona has been grappling with a massive budget deficit of over \$3 billion since your departure as Governor, and as I had forecast a year ago, we have had to issue nearly \$38 billion in Treasurer Warrant Notes in 2009.

The cost of illegal immigration has exhausted our State Treasury. In order to pay for the federal government's responsibility of securing our national borders and incarcerating individuals who enter the United States illegally and commit crimes, the state has incurred hundreds of millions of dollars of debt to pay these bills.

As a result, I am resubmitting numerous unpaid invoices which you originally calculated as Governor and sent to the federal government relating to the State's uncompensated costs for incarcerating criminal aliens under the State Criminal Alien Assistance Plan (SCAAP) from FY1994 to FY2008.

I have included copies of your original invoices sent when you were Governor as well as an updated invoice reflecting current principal and accrued interest totaling \$1,057,885,831.12. As you can see, the Administration has continued to only "pay pennies on the dollar" towards our actual costs. I hope that you still agree with your statements from 2008, as I do, that this funding is desperately needed to alleviate a burden that has been borne for far too long by the taxpayers of Arizona and other border states.

As Secretary of Homeland Security, you are now in a position to make good on this financial obligation. I appreciate your immediate attention to this matter and look forward to your prompt response before legal remedies are pursued to recoup this long overdue debt to the taxpayers of the State of Arizona.

Sincerely,

Dean Martin  
Arizona Treasurer

Enclosures

cc: Honorable Eric Holder, U.S. Attorney General

**State of Arizona**  
**1700 West Washington**  
**Phoenix, AZ 85007**

**INVOICE**

**PAST DUE**

Invoice Date: January, 4th, 2010

| Fiscal Year | Average Daily SCAAP Population | State Costs     | Federal Reimbursement | Balance Due     | Accumulated Interest* |
|-------------|--------------------------------|-----------------|-----------------------|-----------------|-----------------------|
| FY 1994     | 950                            | \$15,217,100.00 | \$991,900             | \$14,225,200.00 | \$562,470.39          |
| FY 1995     | 2152                           | \$35,178,744.00 | \$2,747,934           | \$32,430,810.00 | \$2,513,031.07        |
| FY 1996     | 2408                           | \$40,206,376.00 | \$17,144,440          | \$23,061,936.00 | \$4,076,774.15        |
| FY 1997     | 2521                           | \$44,437,667.00 | \$9,845,535           | \$34,592,132.00 | \$6,212,160.29        |
| FY 1998     | 2748                           | \$50,401,068.00 | \$10,709,433          | \$39,691,635.00 | \$9,069,851.91        |
| FY 1999     | 2220                           | \$42,792,720.00 | \$10,347,501          | \$32,445,219.00 | \$11,268,999.49       |
| FY 2000     | 2709                           | \$56,073,591.00 | \$12,013,299          | \$44,060,292.00 | \$15,392,785.18       |
| FY 2001     | 3887                           | \$83,022,433.00 | \$18,464,899          | \$64,557,534.00 | \$20,977,772.78       |
| FY 2002     | 3885                           | \$75,780,810.00 | \$15,919,699          | \$59,861,111.00 | \$15,867,914.80       |
| FY 2003     | 4321                           | \$71,039,395.20 | \$6,808,219           | \$64,231,176.20 | \$10,582,055.69       |
| FY 2004     | 4743                           | \$77,807,691.12 | \$12,139,791          | \$65,667,900.12 | \$10,685,135.96       |
| FY 2005     | n/a                            | \$77,125,339.50 | \$13,501,247          | \$63,624,092.50 | \$16,903,244.92       |
| FY 2006     | 4264                           | \$90,592,979.73 | \$14,323,392          | \$76,269,587.73 | \$30,955,786.66       |
| FY 2007     | 4581                           | \$97,326,479.69 |                       | \$97,326,479.69 | \$46,241,966.87       |
| FY 2008     | n/a                            | \$72,477,678.47 |                       | \$72,477,678.47 | \$46,865,863.65       |
| FY 2009     | n/a                            |                 |                       |                 | \$20,336,391.44       |
| FY 2010     | n/a                            |                 |                       |                 | \$4,850,842.15        |

|           |               |               |               |                  |
|-----------|---------------|---------------|---------------|------------------|
| Sub-Total | \$929,480,073 | \$144,957,289 | \$784,522,784 | \$273,363,047.41 |
|-----------|---------------|---------------|---------------|------------------|

**TOTAL** **\$1,057,885,831.12**

\*Interest rate calculated based upon actual monthly interest income from the investment of state funds.



STATE OF ARIZONA

JANET NAPOLITANO  
GOVERNOR

OFFICE OF THE GOVERNOR  
1700 WEST WASHINGTON STREET, PHOENIX, AZ 85007

MAIN PHONE: 602-542-4331  
FACSIMILE: 602-542-7601

March 17, 2008

**VIA FACSIMILE AND U.S. MAIL**

The Honorable Michael Mukasey  
Attorney General of the United States  
United States Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

Re: State Criminal Alien Assistance Program Invoices

Dear Attorney General Mukasey:

Since October 21, 2004, I have been submitting invoices to your office relating to Arizona's uncompensated costs for incarcerating criminal aliens under the State Criminal Alien Assistance Plan ("SCAAP"). As you know, the federal government is required by law to pay these costs, but has failed to pay more than pennies on the dollar. As the service provider, the State of Arizona is left with the substantial unreimbursed costs. This burden on Arizona taxpayers is unfair and is a direct result of the federal government's failure both to properly secure our borders and to pay the costs associated with this failure.

This fiscal year Arizona is facing a \$1.2 billion budget shortfall. Today the leadership of the Arizona Legislature and I are meeting to make difficult decisions about what services to Arizona's elderly, children and other residents must be cut, in part because we are using our state revenues to pay for the federal government's SCAAP costs. Under the circumstances, I must continue sending you invoices for these unpaid expenses, including our current invoice attached herewith in the amount of \$448,565,761.83.

I hereby call upon you to either pay this invoice or take Arizona's SCAAP inmates into federal custody as required by 8 U.S.C. § 1231(i)(1). Such funding is not only required by law but also desperately needed to alleviate a burden that has been borne for far too long by the taxpayers of Arizona and the other border states.

As always, I remain available to meet with you personally on this important issue.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Janet Napolitano", written over a horizontal line.

Janet Napolitano  
Governor

JN:LK/jm  
Encl.

State of Arizona  
1700 West Washington  
Phoenix, AZ 85007

## Invoice

Invoice Date: March 17, 2008

| Description  | Average Daily<br>SCAAP<br>Population | Per Diem Cost | Number of<br>Days | Amount Due               |
|--|--------------------------------------|---------------|-------------------|--------------------------|
| <b>FY 2008 State Expenditures - State Criminal Alien Assistance Program (SCAAP):</b> |                                      |               |                   |                          |
| July 2007  | 4,893                                | \$58.21       | 31                | \$ 8,829,467.43          |
| August 2007  | 5,030                                | \$58.21       | 31                | \$ 9,076,685.30          |
| September 2007   | 5,061                                | \$58.21       | 30                | \$ 8,838,024.30          |
| October 2007   | 5,069                                | \$58.21       | 31                | \$ 9,147,061.19          |
| November 2007  | 5,053                                | \$58.21       | 30                | \$ 8,824,053.90          |
| December 2007  | 5,182                                | \$58.21       | 31                | \$ 9,350,970.82          |
| January 2008   | 5,244                                | \$58.21       | 31                | \$ 9,462,850.44          |
| February 2008  | 5,301                                | \$58.21       | 29                | \$ 8,948,565.09          |
| <b>Total Amount Due for FY 2008 State Expenditures</b>                               |                                      |               |                   | <b>\$ 72,477,678.47</b>  |
| <b>FY 2007 State Expenditures - State Criminal Alien Assistance Program (SCAAP):</b> |                                      |               |                   |                          |
| FY 2007 State Expenditures   | 4,581                                | \$58.21       | 365               | \$ 97,326,479.69         |
| <b>Total Amount Due for FY 2007 State Expenditures</b>                               |                                      |               |                   | <b>\$ 97,326,479.69</b>  |
| <b>FY 2006 State Expenditures - State Criminal Alien Assistance Program:</b>         |                                      |               |                   |                          |
| FY 2006 State Expenditures   | 4,264                                | \$58.21       | 365               | \$ 90,592,979.73         |
| SCAAP Reimbursements in FY 2007 for FY 2006 State Expenditures                       |                                      |               |                   | \$ (14,323,932.00)       |
| <b>Total Amount Due for FY 2006 State Expenditures</b>                               |                                      |               |                   | <b>\$ 76,269,047.73</b>  |
| <b>FY 2005 State Expenditures - State Criminal Alien Assistance Program:</b>         |                                      |               |                   |                          |
| FY 2005 State Expenditures   |                                      |               |                   | \$ 77,125,339.50         |
| SCAAP Reimbursements in FY 2007 for FY 2005 State Expenditures                       |                                      |               |                   | \$ (13,501,247.00)       |
| <b>Total Amount Due for FY 2005 State Expenditures</b>                               |                                      |               |                   | <b>\$ 63,624,092.50</b>  |
| <b>FY 2004 State Expenditures - State Criminal Alien Assistance Program:</b>         |                                      |               |                   |                          |
| FY 2004 State Expenditures   |                                      |               |                   | \$ 77,807,691.12         |
| SCAAP Reimbursements in FY 2006 for FY 2004 State Expenditures                       |                                      |               |                   | \$ (12,139,791.00)       |
| <b>FY 2004 Expenditures Not Reimbursed</b>   |                                      |               |                   | <b>\$ 65,667,900.12</b>  |
| <b>FY 2003 State Expenditures - State Criminal Alien Assistance Program:</b>         |                                      |               |                   |                          |
| FY 2003 State Expenditures   |                                      |               |                   | \$ 71,039,395.20         |
| SCAAP Reimbursements in FY 2004 for FY 2003 State Expenditures                       |                                      |               |                   | \$ (6,808,219.00)        |
| <b>FY 2003 Expenditures Not Reimbursed</b>   |                                      |               |                   | <b>\$ 64,231,176.20</b>  |
| <b>Interest on Past Due Amounts:</b>   |                                      |               |                   |                          |
| <b>Interest on FY 2003 Expenditures Not Reimbursed</b>                               |                                      |               |                   |                          |
| (interest from 10/1/04-2/29/08 at 1.81%)   |                                      |               |                   | \$ 3,936,476.55          |
| <b>Interest on FY 2004 Expenditures Not Reimbursed</b>                               |                                      |               |                   |                          |
| (interest from 10/1/05-2/29/08 at 1.81%)   |                                      |               |                   | \$ 2,846,538.45          |
| <b>Interest on FY 2005 Expenditures Not Reimbursed</b>                               |                                      |               |                   |                          |
| (interest from 10/1/06-2/29/08 at 1.81%)   |                                      |               |                   | \$ 1,616,618.28          |
| <b>Interest on FY 2006 Expenditures Not Reimbursed</b>                               |                                      |               |                   |                          |
| (interest from 10/1/07-2/29/08 at 1.81%)   |                                      |               |                   | \$ 569,753.83            |
| <b>Total Interest on Past Due Amounts</b>  |                                      |               |                   | <b>\$ 8,969,387.12</b>   |
| <b>Total Amount Due</b>  |                                      |               |                   | <b>\$ 448,565,761.83</b> |

If you have any questions regarding this invoice, please contact Leezie Kim at 602-542-1586.